

Message Text

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DEPARTMENT OF JUSTICE: MR. BRUNO RISTAU, RM 3613

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FM SECSTATE WASHDC

TO AMCONSUL HONG KONG PRIORITY

INFO SECDEF WASHDC

USARMY CID COMMAND

UNCLAS STATE 151000

SECDEF FOR PDASD(C) -- CID COMMAND FOR CIOP-FR

E.O. 11652: N/A

TAGS: CGEN

SUBJECT: U.S. VS. SIMMONS ET AL.

1. FOLLOWING IS THE TEXT OF A PRESS RELEASE ISSUED BY THE
DEPT OF JUSTICE, OFFICE OF PUBLIC INFORMATION, ON THURS-
DAY JUNE 26, 1975, AT APPROX 1 P.M. EST.:

A FORMER EMPLOYEE OF THE DEPT. OF DEFENSE IN SVN WAS
ARRESTED BY FBI AGENTS TODAY IN PARSONS, W. VA. ON CHARGES
OF ILLEGALLY RECEIVING \$1.2 MILLION IN GOVT. FUNDS AND
CONCEALING THE RECEIPT OF THE MONEY FROM THE GOVT.

ATTY. GEN. EDWARD H. LEVI SAID A CRIMINAL COMPLAINT WAS
FILED WITH A U.S. MAGISTRATE IN ELKINS, W. VA.

CHARGED WAS DAVIS CREIG SIMMONS, 32, WHO UNTIL ABOUT
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NOVEMBER, 1974, WAS CHIEF OF THE PETROLEUM OIL AND LUBRI-
CANTS (POL) SECTION OF THE DEFENSE DEPT. ATTACHE OFFICE IN
SAIGON, SVN.

THE COMPLAINT ALLEGED THAT SIMMONS, WHILE HEAD OF THE POL SECTION, CAUSED APPROXIMATELY \$1.3 MILLION TO BE PAID TO THE PETROLEUM MANAGEMENT AND CONSULTANT CO. (PMCC) FOR OIL PRODUCTS THE UNITED STATES WAS PURCHASING FOR THE GOSVN.

THE COMPLAINT FURTHER ALLEGED THAT THE PRINCIPAL OWNER OF PMCC SAID HIS FIRM NEVER SUPPLIED OR INTENDED TO SUPPLY THE OIL PRODUCTS, AND TURNED OVER A MAJOR PORTION OF THE MONEY TO SIMMONS.

ACCORDING TO THE COMPLAINT, AN ANALYSIS OF THE RECORDS OF CERTAIN HONG KONG BANK ACCOUNTS REFLECTS THAT OF THE \$1.3 MILLION PURCHASE MONEY SIMMONS RECEIVED \$6.1 MILLION IN HK CURRENCY, WHICH IS APPROXIMATELY \$1.2 MILLION IN U.S. MONEY.

THE COMPLAINT ALSO CHARGED THAT SIMMONS CONCEALED IN DOCUMENTS HE SUBMITTED TO THE GOVT. THE FACT THAT PMCC NEVER SUPPLIED THE OIL, AND THAT HE RECEIVED THE MONEY.

THE COMPLAINT RESULTED FROM AN INVESTIGATION IN HONG KONG AND SAIGON BY A TEAM OF AGENTS FROM THE U.S. ARMY'S CRIMINAL INVESTIGATION DIVISION COMMAND (CID) WITH THE ASSISTANCE OF THE U.S. GENERAL ACCOUNTING OFFICE.

IN THE LAST FEW MONTHS, THE FRAUD SECTION OF THE DOJ CRIMINAL DIVISION, THE FBI, AND THE OFFICE OF US ATTORNEY JAMES COMPANION IN WHEELING, W.VA. HAVE PARTICIPATED IN THE CID'S INVESTIGATION.

MAXIMUM PENALTY UPON INDICTMENT AND CONVICTION OF THE CHARGES

--VIOLATING THE CONFLICT OF INTEREST STATUTE IN ILLEGALLY RECEIVING MONEY (18 U.S.C. 208), TWO YEARS IN PRISON AND A \$10,000 FINE;

--CONCEALING FACTS FROM THE GOVERNMENT (18 U.S.C. 1001), UNCLASSIFIED

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FIVE YEARS IN PRISON AND A \$10,000 FINE.

2. FYI: MR. RISTAU RECEIVED A TELEPHONE CALL FROM MR. MICHAEL F. WINTER AT APPROX 2 A.M. HK TIME IN WHICH MR. WINTER INFORMED MR. RISTAU THAT THE FORMER HAD RECEIVED NOTIFICATION THAT HIS CLIENT HAD BEEN ARRESTED IN THE U.S. AND REQUESTING INFORMATION CONCERNING INTER ALIA BAIL PROCEDURES AND THE NAME AND TELEPHONE NUMBER OF THE U.S. ATTORNEY RESPONSIBLE FOR THE CASE IN W. VA. MR. RISTAU PROVIDED MR. WINTER WITH THE NAME AND TELEPHONE NUMBER OF U.S. ATTORNEY COMPANION.

3. DOJ WILL PROVIDE ADDITIONAL INFORMATION AS IT BECOMES

AVAILABLE. IN THE INTERIM DOJ REQUESTS THAT YOU PROMPTLY
INFORM USG COUNSEL OF THE MOST RECENT DEVELOPMENTS IN THE
SIMMONS CASE AS SET FORTH ABOVE. KISSINGER

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